

1.941
R3A13

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

A

ANALYSIS OF THE OPERATION OF THE WAGE CEILING ON
PICKING SUN-DRIED RAISIN GRAPES; CALIFORNIA, 1943

This is the second of a series of reports prepared at the request of the California USDA Wage Board on the operation of agricultural wage ceilings in California in 1943. The first wage ceiling order covered cutting, sledding, and packing cannery asparagus. The third and fourth were on picking cannery tomatoes and cotton.

By
William H. Metzler
Social Science Analyst

Berkeley, California
March 1944

APR 3 0 1945

CONTENTS

	Page
Summary	3
Introduction	5
The raisin grape industry in California	5
Harvest labor operations and rates of payment	13
Crops competing with raisin grapes in the labor market. .	15
Request for a wage ceiling.	17
Progress of the harvest	19
Administration and enforcement machinery.	25
Adjustments to pay more than ceiling rates.	28
Violations.	30
Misunderstanding of the ceiling	33
Attitudes and opinions in regard to the operation of the wage ceiling.	35
Wages rates as compared with grower earnings.	38
Appendix.	41

ANALYSIS OF THE OPERATION OF THE WAGE CEILING ON PICKING
SUN-DRIED RAISIN GRAPES: CALIFORNIA, 1943William H. Metzler
Social Science Analyst

SUMMARY

Approximately 12,000 raisin-grape growers in California produce annually, on 245,000 acres, close to a million tons of raisin grapes. Most of these are small operators located in a compact group in the south central part of the San Joaquin Valley. In 1942, the harvest season was hectic. Agricultural workers spent much time shopping around for better wage rates rather than working steadily for a lower figure. Growers actively bid against each other to obtain workers or to keep the ones they had. Under this pressure the rate for picking raisin grapes rose from 3 cents a tray to 6 and 7 cents. In 1943, therefore, operators responded readily to the idea of a wage ceiling.

The wage ceiling on picking raisin grapes was established on August 27, 1943. The ceiling rate was the same as that which had been recommended by the growers as the going wage for the season--a base rate of 5 cents a tray for Thompsons and $6\frac{1}{2}$ cents for Muscats. A few growers who were paying more than the ceiling rate dropped back to it. A few who could not get their crop harvested at the legal maximum obtained permission from County War Boards to pay more than this rate, but nearly all growers harvested their crop at the ceiling rate or below it. An attempt was made by some workers to spread stories of growers who were paying above-ceiling wages, but these stories failed to shake adherence to the ceiling rates and the season moved along without trouble.

In fact, earnings for picking Thompson Seedless grapes were so high

that it was difficult to obtain workers to turn and roll the trays, to work in dry-yards and dehydrators, and to do other types of farm work. Nonfarm workers were also attracted away from their jobs. Major criticism of the ceiling was that the ceiling rate was too high and that it produced dislocation in the labor force.

The common opinion of growers was that they had "harvested the largest amount of raisin grapes in the shortest amount of time in the history of the industry." Credit for this was attributed to (1) the wage ceiling, which tended to keep workers on their jobs; (2) an abundant supply of labor due to high wage rates for picking and a combination of other factors; and (3) efficient operation of the Agricultural Extension Service farm-placement system. Growers recommended, however, that the following improvements be made in a ceiling order in future years: (1) A higher differential rate between Muscat and Thompson varieties; (2) inclusion of rates for turning and rolling trays of raisin grapes; and (3) extension of ceiling rates to cover wine- and table-grape operations.

General lessons learned from the operation of the ceiling were: (1) Ceiling rates have a tendency to become going rates even on fields which should ordinarily be picked at a lower rate; (2) ceiling rates that permit earnings above those in other operations competing for labor will attract workers and occasion a possible dislocation of labor; (3) when ceiling rates are placed on two different operations that run concurrently or in close succession, earnings from the two must be comparable or many workers will refuse to work rather than to perform the operation yielding the smaller earnings; (4) the granting of adjusted rates to growers who suffer hardship from the ceiling can be speeded up to take care of a flash crop such as raisin grapes; (5) more adjustments are approved by committees composed largely of disinterested public officials than by committees of growers; (6) enforcement of ceiling

orders against violators is difficult; (7) growers need more information in regard to the purposes of wage ceiling orders and their rights, privileges, and obligations under them.

INTRODUCTION

The first wage ceiling administered by the U.S.D.A. Wage Board in California, on asparagus cutting in the spring of 1943, involved a rollback of wages which was attended by strikes, mediation activities, and charges of widespread violations by growers. Compared with that dramatic episode the operation of the wage ceiling on picking of raisin grapes was orderly and uneventful. On the other hand it provided some worth while lessons in regard to rates and administrative procedures.

THE RAISIN GRAPE INDUSTRY IN CALIFORNIA

Acreage

According to 1942 estimates there were 506,095 acres of grapes in California. Approximately half of this acreage, 245,075, was devoted to raisin-variety grapes, one-third, 170,580, to wine grapes, and one-sixth, 81,445, to table varieties. Production of raisin and table grapes is rather closely concentrated in the San Joaquin Valley (table 1) but wine grapes are scattered extensively over the State. ^{1/} Three-fourths of the entire raisin acreage is located in Fresno and Tulare Counties and almost three-fourths of the acreage of table grapes in Fresno, Tulare, and San Joaquin Counties. San Joaquin County is the leading producer of wine grapes but other high-producing counties are San Bernardino in Southern California, Sonoma and Napa in the north coast area, and Fresno and Stanislaus in the San Joaquin Valley.

^{1/} Blair, R. E. and others, Acreage Estimates, California Fruit and Nut Crops as of 1942. Bur. Agr. Econ. in cooperation with Calif. Dept. Agr., June 1943.

Table 1.- Acreage in leading counties producing raisin, table and wine grapes: California, 1942 1/

Region and county	Variety				Total
	Raisin	Table	Wine	Acres	
	Acres	Acres	Acres	Acres	Acres
San Joaquin Valley					
*Fresno	147,745	17,375	11,650	176,770	
*Kern	9,420	6,079	2,020	17,519	
*Kings	11,195	217	606	12,018	
*Madera	14,214	575	3,055	17,844	
*Merced	9,828	2,916	3,111	15,855	
*San Joaquin	1,016	19,531	32,735	53,282	
*Tulare	41,604	21,192	3,672	66,468	
*Stanislaus	7,280	1,323	10,696	19,299	
Sacramento Valley					
Sacramento	275	6,294	3,070	9,639	
Coastal Valley					
Alameda	27	26	3,280	3,333	
Contra Costa	62	136	5,428	5,626	
Mendocino	9	70	7,670	7,749	
Napa	10	90	11,735	11,835	
Santa Clara	100	180	7,535	7,815	
Sonoma	40	80	22,100	22,220	
Southern California					
Los Angeles	338	1,255	3,179	4,772	
Riverside	3,270	506	2,862	6,638	
San Bernardino	3,601	1,352	22,248	27,201	
San Diego	2,139	797	2,192	5,128	
State total <u>2/</u>	254,070	81,445	170,580	506,095	

* Counties covered by wage ceiling order.

1/ Data compiled from Blair, R. E. and others. Acreage Estimates, California Fruit and Nut Crops as of 1942. Bur. Agr. Econ. in cooperation with Calif. Dept. Agr., June 1943.

2/ Includes small acreages in counties not listed.

The acreage of raisin grapes increased steadily until 1926 when 347,231 acres were devoted to this purpose. Overproduction in those years led to a gradual reduction until a low of 227,960 acres was reached in 1936. Since then the acreage in raisins has increased in spite of annual surpluses. The 1942 acreage is estimated at 254,070 (table 1).

Production

Production of raisins in California has fluctuated according to market conditions for raisins, as compared with other grape products. Whenever the carry-over of raisins has been large a larger percentage of the following year's raisin-variety grapes has either been shipped as table grapes or made into juice or wine (table 2). Highest production was 290,000 tons in 1938 and lowest 171,000 tons in 1940. In 1942 and 1943, however, the U. S. War Production Board directed that all raisin-variety grapes be converted into raisins unless specifically released from this disposition by County War Boards. Grapes could only be released for other purposes when the sugar content was too low, drying facilities were not available, or other conditions prevailed that made drying unfeasible.

Table 2.- Disposition of California raisin grapes, 1938-42 1/

	1938	1939	1940	1941	1942	1943
	Tons	Tons	Tons	Tons	Tons	Tons
Dried	1,160,000	980,000	684,000	836,000	1,016,000	2/1,472,000
Canned	5,000	11,000	11,300	18,000	16,400	---
Crushed	144,000	177,000	418,000	494,000	95,100	---
Used fresh	136,000	138,000	159,700	168,000	149,500	2/ 109,000
Total	1,445,000	1,306,000	1,273,000	1,516,000	1,277,000	2/1,581,000

1/ Data from California State Crop Report, July 1943. Figures in fresh tons.

2/ Preliminary estimates of 1943 crop.

This directive came too late in the 1942 season to be effective as there was a shortage of trays, sweatboxes, dehydrators, and other equipment for converting all raisin-variety grapes into raisins. By 1943 the order came much nearer fulfillment and the 1943 pack of raisins is expected to amount to 368,000 dry tons compared to 245,000 tons in 1942 and 209,000 in 1941.

Varieties

The favorite raisin grape is the Thompson Seedless variety, which is not only seedless but also produces heavily and dries easily. It is the source of 80 percent of the raisins produced in California, is also a popular table variety, and is used to fortify sweet wines. Consequently 70 percent of the total raisin-grape acreage of California, or 179,603 acres, is in this variety. The next most popular variety is the Muscat which is also an all-purpose grape. The berries are larger than those of the Thompson Seedless but the clusters are smaller and less compact, the vines are smaller, and the yields less heavy. Harvesting of this variety is more difficult. Muscat acreage in 1942 was 60,516 compared with 10,290 acres of Sultana grapes and 3,269 of Zante currants, the other raisin varieties. Sultana grapes are similar to the Thompson except that the berries are smaller and round in shape. They are being supplanted by the Thompsons. Zante currants make small tart raisins, are early, and produce less heavily than the other varieties. 2/

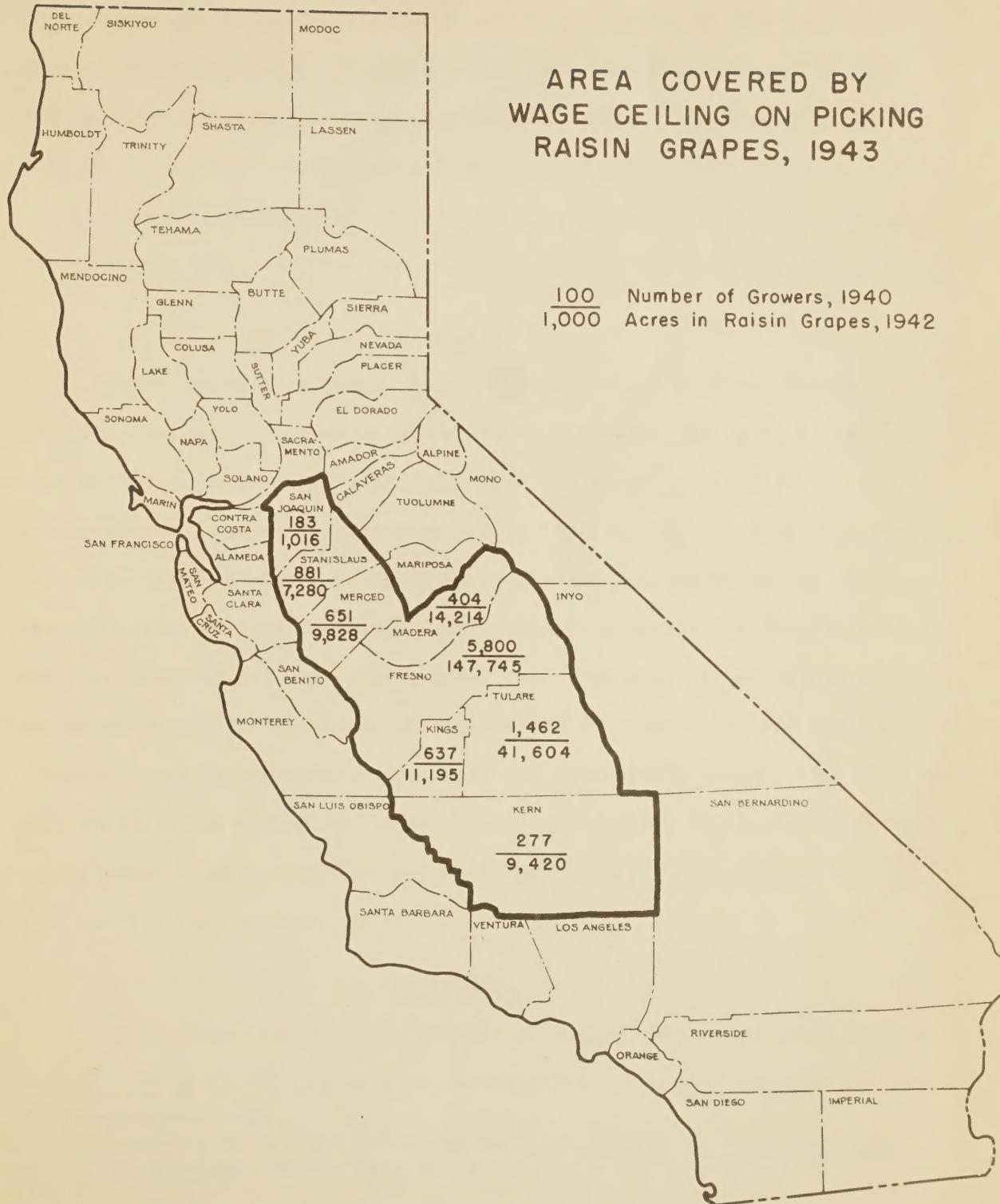
Type of Farm Unit

According to the 1940 Census 11,903 farms in California were producing raisin grapes, of which 5,800 were in Fresno County, 1,462 in Tulare, 881 in Stanislaus, 651 in Merced, 637 in Kings, 404 in Madera, 277 in Kern, and 183 in San Joaquin. The other 423 growers of raisin grapes in the United States

2/ Jacob, H. E. Grape Growing in California. Univ. Calif. Ext. Cir.116.

AREA COVERED BY
WAGE CEILING ON PICKING
RAISIN GRAPES, 1943

$\frac{100}{1,000}$ Number of Growers, 1940
Acres in Raisin Grapes, 1942



were located in Arizona. Raisin grape growers usually have small acreages, 20 to 30 acres (table 3), and many have no other enterprise. The proportion of tenants is not large; it is usually under 25 percent but varies from one county to another. The industry has relatively few large tenant operators leasing widely scattered acreages such as are found in many California crops. Rental charges for Thompson acreages commonly are one-fourth of the gross returns for the crop, and from one-third to one-half the return for Muscats. 3/

Yields

Yields per acre of raisin grapes are variable. Growers like to talk of their Thompson vineyards which produce 1,200 trays (14 green tons) to the acre but numerous acreages yield only 200 or 300 trays. Yields of Muscat grapes are less heavy, ranging from 200 to 700 trays to the acre. Production per acre varies widely from county to county and some of the newer acreages bear much heavier than the older ones. Muscat vineyards are frequently older than the Thompson and not so well cared for. The only figures available on distribution of yields are rather old--1930--and cover only five counties (table 4), but average yields are about the same at the present time as they were in 1930. Data compiled by Professor Shear of the University of California indicate that the yield of raisin grapes averaged 5.3 tons per acre in 1930 and 5.2 tons in 1942. 4/

Marketing

At one time, from 85 to 90 percent of California raisins were marketed through a cooperative growers association which had market contacts all over

3/ Adams, R. L., and Smith, W. H. Farm Tenancy in California and Methods of Leasing. Calif. Agr. Expt. Sta. Bul. No. 655, Oct. 1941.

4/ Shear, S. W. Deciduous Fruit Statistics. Giannini Foundation. Mimeo. Rep. No. 83. Jan. 1943.

Table 3.- Acreage of raisin grapes per farm, by counties and varieties, 1930 1/

County	Thompson Seedless					Muscat					
	Av. acre-	Percentage farms having acre-	age 0-9	10-19	20-29	over	Av. acre-	Percentage farms having acre-	age 0-9	10-19	20-29
	Acres	Pct.	Pct.	Pct.	Pct.		Acres	Pct.	Pct.	Pct.	Pct.
Fresno	11.6	57.1	29.5	7.7	6.1		12.8	52.2	30.3	9.5	8.0
Kern	14.2	50.1	26.9	9.9	13.1		14.2	54.2	20.9	13.2	9.7
Kings	7.7	76.1	16.7	3.3	3.9		14.6	53.5	27.7	8.4	10.4
Madera	16.1	41.9	32.4	12.6	13.1		11.8	54.0	30.6	9.4	6.0
Merced	13.0	73.5	16.4	4.8	5.3		2/	2/	2/	2/	2/
Stanislaus	7.3	79.5	13.8	3.5	3.2		2/	2/	2/	2/	2/
Tulare	12.4	55.1	26.9	9.3	8.7		11.3	57.7	28.2	7.2	6.9

1/ Shear, S. W., California Grape Acreage, Production, Yields, and Acreage per Farm. Giannini Foundation. Mimeo. Rep. No. 16, Aug. 1932.

2/ No data available.

Table 4.- Yield per acre of Thompson and Muscat raisin grapes, by counties, 1930 1/

County	Thompson Seedless					Muscat					
	Aver-	Percentage farms yielding	Under	9 and	age	Aver-	Percentage farms yielding	Under	9 and	age	
	yield	3	3-5	6-8	over	yield	3	3-5	6-8	over	
		Tons	Pct.	Pct.	Pct.		Tons	Pct.	Pct.	Pct.	
Fresno		5.1	12.3	50.0	30.7	8.5	5.2	13.5	49.9	30.7	5.9
Kern		5.1	2/	2/	2/	2/	3.8	2/	2/	2/	2/
Kings		3.8	2/	2/	2/	2/	4.3	20.3	55.4	21.0	3.3
Madera		5.1	14.6	50.3	50.5	4.6	3.7	31.6	53.7	14.7	0.0
Merced		5.5	2/	2/	2/	2/	4.3	2/	2/	2/	2/
San Joaquin		5.3	2/	2/	2/	2/	3.0	2/	2/	2/	2/
Stanislaus		7.1	5.6	32.2	33.7	28.5	5.5	2/	2/	2/	2/
Tulare		5.4	12.7	43.8	33.9	9.6	5.5	13.9	41.7	35.5	8.9

1/ Shear, S. W., California Grape Acreage, Production, Yields, and Acreage per Farm. Giannini Foundation. Mimeo. Rep. No. 16, Aug. 1932.

2/ Distribution figures available only for selected counties.

the world. Private packers instigated antitrust proceedings against the association in 1922 and the Federal courts enjoined it from engaging in the practices which had given it a virtual monopoly over the marketing of raisins. At present this association handles less than one-third of the crop and the bulk of the marketing is done through private concerns.

Financial returns to growers have fluctuated from one extreme to the other. In the early eighties growers were barely able to make expenses; by the end of that decade they were becoming quite prosperous; by the end of the 1890's they were pulling out their vines because there was no money in the production of raisins. Following World War I, the price of raisins went to 12.7 cents a pound or over 4 times the average price during pre-war years. This high price resulted in so much speculation and overplanting that the price of raisins dropped back to 2 cents a pound by 1928. Prices of raisins were so low during the 1930's that various control measures were resorted to in order to save the farmers in the industry. In general, surplus raisins were kept in a pool to prevent them from flooding the market. This situation was changed by the heavy demand for raisins brought on by World War II and by April 1941 the raisin surplus was practically exhausted. The 1940 price received by growers was \$58 a ton. By 1941 the price had risen to \$86 and by 1943 to \$155. Some growers fear that high prices for raisins during the present war period will start another period of overplanting.

Cyclical changes in demand and overplanting of grapes are not the only unstabilizing factors in the raisin industry. Competition of foreign countries, both for foreign markets and for the domestic market, directly affects California raisin growers. From one-fourth to one-third of the raisins produced in California were formerly exported for use in European countries. There they competed with raisins grown in Turkey, Australia, Iran, Greece, Spain, Russia, and other areas. Production has doubled in Australia, Turkey,

and Greece since 1926 whereas the intense economic nationalism that developed in Europe subsequent to the last war practically closed European markets to California producers. 5/ Prohibition and repeal laws have also affected the raisin

Table 5.- Production of raisins in principal countries, 1930-37 1/

Country	1930	1931	1932	1933	1934	1935	1936	1937
	1,000 tons							
United States	192	169	262	195	171	203	182	247
Spain	17.6	16.3	21.2	11.5	16.8	21.0	17.5	11.0
Australia	59.9	36.8	45.8	68.6	56.0	51.4	56.7	59.4
Turkey	33.9	29.7	71.6	60.7	54.0	87.0	71.2	48.0
Greece	15.0	15.0	22.0	28.0	25.5	35.5	29.5	27.0
Iran	28.0	48.0	15.0	20.0	36.0	35.0	40.0	32.0
Union of South Africa	4.7	6.2	6.2	8.4	6.2	8.0	9.2	10.7

1/ Data compiled by S. W. Shear, Giannini Foundation of Agr. Econ., and appearing in U. S. Tariff Commission, Grapes, Raisins and Wines, Rep. No. 134, 2d Series, 1939.

industry in the State, as raisin grapes are also used for making wine. Though the price of raisins fluctuates widely with economic and political circumstances, the grower has a continuing investment in his vines and is unable to shift his production to meet changing conditions.

The raisin harvest requires a large number of workers over a relatively short season. The number of workers needed is usually estimated at 35,000 although close students of the situation say that the number is closer to 25,000. The season runs from August 20 to September 15. There is a little earlier activity, largely in Zante currants, and after September 15 some Muscats are

5/ U. S. Tariff Commission, Grapes, Raisins and Wines, Rep. No. 134, 2d Series, 1939.

still being picked. September 20 is regarded as the last safe date on which to put raisin grapes on the trays. At that season the Muscat grapes will have to stay on the trays for 5 weeks and there is danger during October that light rains may damage the raisins. The continual increase in moisture content both in the soil and in the atmosphere, together with shorter and cooler days, delays drying.

HARVEST LABOR OPERATIONS AND RATES OF PAYMENT

The Thompson Seedless are generally ready to be harvested by August 20 and the Muscats a few weeks later. The labor operations commonly used on Thompsons are, in order:

- (1) Picking the grapes and placing them on paper trays spread between the rows of vines;
- (2) Turning the trays of grapes approximately a week later so the grapes will dry from the other side;
- (3) Rolling the trays in bundles a week to 10 days after turning so that final curing of the grapes will occur inside the bundle;
- (4) Emptying the trays into boxes and hauling them to the growers' sheds or to the packing house.

The process used in handling Muscat grapes is the same except that wooden instead of paper trays are ordinarily used. Grapes on such trays are stacked when nearly dry.

Picking is generally done on trays 2 x 3 feet in size and holding from 20 to 26 pounds of grapes. Grapes weigh heavier at the beginning of the season and tray weights run heavier at that time. Picking is paid for on a piece-rate basis and the average production per person in a 9-hour day runs from 150 to 200 trays. Inexperienced and less capable pickers ordinarily pick from 140 to 160 trays in a day while the experienced picker will handle from 200 to as high as 300 trays in a day.

Turning is paid for most commonly on the basis of so much per 1,000 trays. Payment for turning paper trays usually is 25 to 50 cents higher than

for turning the wooden type. Two men work at the job together and between them will turn from 3,000 to 6,000 trays in a 9-hour day.

Rolling of trays may either be in a biscuit roll or a cigarette roll. The former operation is more complex and is paid for at approximately the same rate per thousand as for turning. The second type of roll is less common and is generally done for half the price of the biscuit roll. Stacking, hauling, and boxing are usually paid for on an hour basis.

Picking is done by men, women, or children but the other operations are more strenuous and are generally performed only by able-bodied men.

A scale of rates for picking, graduated according to yield per acre, has been in existence for many years. This scale was followed by the Wage Board in 1943 acting on the principle that it should follow so far as possible the traditional practices in each industry. The 1943 scale was as follows:

(a) Thompson and Sultana varieties (b) Muscat variety

Trays per unit 1/

500 or over	5¢ per tray
400 to 500	5½¢ per tray
300 to 400	5½¢ per tray
200 to 300	5 ¾¢ per tray
Less than 200	6¢ per tray

Trays per unit 1/

500 or over	6 ½¢ per tray
400 to 500	6 ¾¢ per tray
300 to 400	7¢ per tray
200 to 300	7 ½¢ per tray
Less than 200	7 ½¢ per tray

1/ A unit refers to 500 vines or approximately 1 acre.

When rates for picking are on a base price of 5 cents per tray, the rate for turning and rolling is ordinarily from \$5.50 to \$6 per thousand. In 1943, however, the latter rates were proportionately higher.

Wage rates in the industry are commonly established with the assistance of the San Joaquin Valley Labor Bureau. This organization, established in 1926, has held meetings of growers at the beginning of each season. A base rate is agreed on at these meetings and considerable pressure is exerted to hold growers to it during the season. The rate is usually arrived at by estimating

the price that growers are likely to receive for their crop in any one year and calculating wage rates accordingly. Consideration is also given to the probable supply of labor, wage rates in competing industries, and other factors that enter into the situation. Qualified farm wage experts are usually consulted in arriving at the rates.

The organization does not operate without opposition. Workers frequently charge that its purpose is to hold wages below their proper levels. 6/ Growers in sections of the raisin area where competition for labor is keen say that it is necessary for them to pay more than growers in sections where competition is not so great. In years when the labor situation is especially tight such growers break away from the common agreement and pay what is necessary in order to get workers. This leads to labor pirating and general confusion in the labor market.

In 1943, leaders of this organization and in the grape industry proceeded on the assumption that a comparatively high wage scale would draw a large supply of labor to the area. It seems probable that this policy was at least partially responsible for the large number of workers that were available for this season.

CROPS COMPETING WITH RAISIN GRAPES IN THE LABOR MARKET

The peak demand for seasonal labor in California occurs in the months of September and October. Heaviest labor demand during September is for grape picking, in which 20,000 workers are employed, and during October for tomato and cotton pickers, requiring 16,000 and 36,000 workers respectively. 7/ Sometimes, as in 1943, the harvesting period for these three crops dovetails very

6/ U. S. Senate, 76th Cong., 3d sess. Hearings on Violations of Free Speech and the Rights of Labor, Part 51, pp. 18583-18590.

7/ Data on requirements for 1942 season from Annual Report of the Farm Placement Service. California U. S. Employment Service, 1942.

Table 6.- Number of workers employed in raisin grapes and major competing crops in raisin-grape wage ceiling area, August 14-October 30, 1943 1/

Week ending	Workers employed week by week in							
	Raisin	Other				Hay &		
	grapes	grapes	Figs	Tomatoes	grain	Peaches	Cotton	
	No.	No.	No.	No.	No.	No.	No.	No.
Aug. 14	200	5,200	2,000	2,800	7,655	25,640	---	
Aug. 21	3,100	7,075	4,000	2,700	7,580	19,550	---	
Aug. 28	19,100	6,850	5,900	2,350	8,315	15,650	---	
Sept. 4	46,200	9,100	7,200	2,700	8,095	6,825	---	
Sept. 11	48,550	13,700	8,000	3,050	6,925	1,200	---	
Sept. 18	37,950	17,525	8,200	3,910	4,755	1,000	---	
Sept. 25	24,240	20,300	7,700	5,475	4,375	---	550	
Oct. 2	12,950	20,550	6,200	7,125	4,805	---	5,800	
Oct. 9	8,450	18,050	5,200	8,025	4,180	---	12,700	
Oct. 16	7,400	15,300	3,000	9,700	3,200	---	18,630	
Oct. 23	6,300	11,150	2,000	8,350	1,175	---	21,900	
Oct. 30	1,700	9,600	1,500	7,105	675	---	25,000	

1/ Data from California Weekly Farm Labor Reports. Cooperative Extension Work, U. S. Dept. Agr. and Univ. Calif., 1943.

nicely but in other years their harvest seasons overlap considerably and they compete directly for workers. In some years also, as in 1942, the peach season is late and peach and grape growers compete with each other for workers. Cutting of alfalfa hay goes on all through this harvest period but is done by a different class of farm worker.

Movement of workers up and down the Sacramento-San Joaquin Valley area is ordinarily quite fluid and has only recently been slowed down by refusal of rationing boards to grant them enough gasoline to travel any great distance. Movement from crop to crop is much more selective. The peach picker will move into the grape harvest but is likely to draw the line on picking tomatoes or cotton. The latter are stoop-labor jobs, and he tries to avoid the aching back that is associated with stooping. This type of work is done usually by Mexicans, Filipinos, Negroes, or Italians.

When an entire family wants work its members may choose to pick figs or walnuts rather than to harvest raisins. Women and children can work in these crops to better advantage than in grapes. These harvests ordinarily are a little later than the raisin harvest but sometimes conflict rather seriously. Peak requirements in the Sacramento-San Joaquin Valley are for 6,700 workers in figs and 2,600 in walnuts.

During the 1943 season, labor needs for most of the fall crops dovetailed very well. Peaches ripened somewhat earlier than usual and workers were able to shift directly from them to the raisin grapes. Maturing of tomatoes and cotton was retarded by cool weather and workers who were willing to make such a shift had to wait a week or two before going from grapes to those crops. Competition between the raisin-grape harvest and the harvesting of alfalfa and some varieties of table grapes was quite direct. Wage rates for raisin picking were so high that raisin growers had first call on the labor. No wage competition developed with growers of these other crops or the raisin producers might have found themselves at some disadvantage (table 6).

REQUEST FOR A WAGE CEILING

Because raisins are a "flash crop" raisin-grape wages have tended to be among the highest paid during the California harvest season. The San Joaquin Valley Labor Bureau has made strenuous efforts in previous years to establish a uniform wage scale and get the growers to hold to it. Until the last several years, such efforts were at least partially successful. When the labor supply really became short, a gentlemen's agreement to stay with a pre-determined wage level was no longer effective and wage rates rose from the agreed rate of 3 cents a tray in 1942 to 6 and 7 cents before the season was over. Growers claimed also that workers spent a large part of their much-needed time riding up and down the highways looking for the vineyards that paid the most money.

In the summer of 1943 the Agricultural Labor Bureau, several San Joaquin County Farm Bureaus, and individual raisin producers requested the California Wage Board to establish wage ceilings for the picking of raisin grapes. The urgency of the situation was stressed because table and wine-grape producers had higher Government-established prices than raisin-grape producers and could bid labor away from the raisin growers if wage competition developed.

A meeting of raisin-grape growers was called by the San Joaquin Valley Labor Bureau for August 12 to discuss harvest wage rates and the desirability of a ceiling wage order. The growers generally were uninformed as to the operation of wage ceilings. One of the speakers at this meeting was Mr. Roland Ballou, of the California State War Board. He explained the operation of a ceiling order and the growers swung from a skeptical attitude toward one highly favorable to a ceiling. At this meeting growers agreed that rates of 5 cents a tray for Thompsons and Sultanas and $6\frac{1}{2}$ cents for Muscats would be fair for the 1943 season. Some growers held out for base rates of 4 and $5\frac{1}{2}$ cents but were out-voted by those who believed that a higher rate would attract a relatively large labor force.

When it became clear that the demand for a ceiling came from the growers themselves as well as from leaders in the industry, the State Wage Board decided to institute procedures toward establishing ceiling wage rates. The difficult problem still remained as to whether growers of wine and table grapes could be induced to cooperate with growers of raisin grapes in establishing comparable wage maximums for the entire industry.

Hearings on the question of a ceiling on grape wages were held in Santa Rosa and Lodi on August 16, in Turlock on August 17, in Fresno on August 18, and in Visalia on August 19. Santa Rosa is the center of the Sonoma County wine-grape area; Lodi is the center of the Tokay table-grape district; and Fresno is the center of the raisin-grape industry. Important raisin-grape

areas are also located in the vicinity of Turlock and Visalia. It was apparent from these hearings that the growers of wine and table grapes did not care to be hampered by wage ceilings. As some growers frankly stated, "We expect the prices of our products to be high enough that we will be able to get all the workers we need and we don't see any reason why we should tie our hands." ^{8/} On the other hand, producers of raisin grapes realized that they would have to operate on a comparatively close margin; with few exceptions they favored the establishment of wage ceilings which would protect them against labor pirating by members of their own group and from unduly high demands from laborers and labor contractors. On the other hand, a ceiling tied their hands in any possible wage competition with growers of wine and table grapes.

Growers generally testified at the hearings in favor of base rates of 5 cents a tray for Thompsons and 6 $\frac{1}{2}$ cents for Muscats. The State Wage Board checked these rates and found that they compared very well with the increased price that the growers would receive for their product (table 9), hence they recommended to the War Food Administration that these rates be adopted as ceiling rates. Action to this effect was taken in Washington August 27. No action was taken in regard to ceiling rates for picking table and wine grapes as both the War Food Administration and the State Wage Board held to the policy that ceilings would only be applied when they were desired by the growers of the crop in question.

PROGRESS OF THE HARVEST

Growers and agricultural officials agree that a larger crop was taken off in a shorter period of time this year than in any year that they can

^{8/} From stenographic report of wage hearings held at Santa Rosa and Lodi on August 16, 1943. Not published.

remember. The two major factors in this situation were: (1) There was an ample supply of labor, and (2) workers stayed on the job instead of shopping about from field to field to find the highest wage rates. Back of these factors were: Placement activities of the Agricultural Extension Service Farm Labor Offices, the wage ceiling which reduced bidding for labor, importation of Mexican farm laborers, and exemption of farm workers from the withholding tax and from military service.

California growers have been particularly fortunate this year in their farm labor supply. Some areas have even experienced a surplus of workers at the height of the harvest season. Most important factor in this situation has been the Mexican Nationals who with few exceptions have proved better than average workers. During the 1943 season, a total of 37,213 were employed in the State and a third or more of these were employed in the counties producing raisin grapes. ^{9/} Two unexpected streams of workers also added to the regular supply: (1) Middle Westerners who because of drought or flood in their own areas came to make sufficient funds to tide them through the year; and (2) defense workers, chiefly from the San Francisco Bay area, who were changing to agricultural employment to avoid the withholding tax, to obtain deferment from military service, or to get away from high rents and other high living costs and from the serious accidents associated with high-speed work in defense industries. The ex-defense workers were frank about their desire to avoid taxes and dangerous surroundings but usually said little about military deferment unless they had recently received a notice from their draft board reclassifying them into 1A.

Migration to this area ~~for~~ the grape season has always been heavy as the

^{9/} War Food Administration, Office of Labor. Mexican National Transportation Orders, Workers Delivered, and Prospective Delivery Schedule as of October 31, 1943.

earnings in grapes have always been high. This movement was augmented in 1943 by (1) contractors recruiting workers from the Middle West and the Southwest on the promise that the rate for picking raisins would go up to 10 cents a tray, (2) the decision of the San Joaquin Valley Labor Bureau officials to establish as high a beginning rate as possible in order to attract more workers, and (3) the prospects for an excellent crop. Consequently, the labor supply during the early part of the season was ample.

There was a diversity of opinion as to why the workers spent more time in the field this year and less in loafing and in shopping about for better jobs. Placement officers in the Farm Labor Offices of the Extension Service were inclined to feel that their organization was largely responsible. Officers who were alert observed when a crew was about to finish for one grower and had a similar job for them to shift to as soon as the present one was finished. Furthermore, gasoline and tires were allocated rather sparingly and thus a good deal of unnecessary running around was prevented. Proponents of the wage ceiling indicated that it really was the ceiling order that eliminated most of the incentive for moving about. Office of Labor officials said, "It's simply a matter of supply and demand. The workers know there are plenty of workers this season and that if they don't get in and earn their money some one else will get it. There wasn't any chance to drag out the season." Undoubtedly all these factors entered into the situation.

The rate usually paid was the ceiling price of 5 cents a tray for Thompsons and $6\frac{1}{2}$ cents for Muscats. In Tulare County, however, some grapes were picked for $3\frac{1}{2}$ cents and from 25 to 50 percent of the crop at 4 cents. Growers in the other counties were inclined to pay the ceiling rate even though they had yields of more than 1,000 trays to the acre.

Growers usually were surprised that they were able to get their grapes picked at such a low rate. At the beginning of the season they had anticipated

that the rate would soon climb to 7 or 8 cents and might possibly go to 10.

During the 1942 season they had started paying 3 cents at the beginning of the season and wound up paying 6 and 7 cents, the average rate probably being from $4\frac{1}{2}$ to $4\frac{1}{2}$ cents.

Earnings were so high at the 1943 rates that some dislocation in local labor supplies was brought about. Workers left many local industries in order to pick raisins. These included workers in machine shops, tire repair stations, aircraft parts plants, and other industries where they were badly needed. Workers employed in haying and general agricultural work left their jobs during this period and farm labor officers received many calls for hay hands, irrigators, tractor drivers, and similar workers which they were unable to fill.

Experienced raisin pickers were able to pick from 200 to 300 trays of Thompsons a day, whereas the inexperienced could pick 150 or more. Consequently, when the time arrived for the growers to turn their trays of grapes they were unable to persuade the workers to quit picking and do this type of work at the regular wage of \$7 a day or \$5.50 a thousand. The work was more strenuous than picking, yet the earnings were less. In the second place, this work had habitually been done by sturdy young men, many of whom were now in the Army.

The rate for turning rose unevenly over the area. In Southern Fresno County it went up to \$7 and \$8 per thousand or to \$1 an hour during the height of the season. Export turners preferred to work on the piece rate basis which enabled them to make from \$15 to \$20 a day; a few workers could make as much as \$25. In other parts of the raisin area the turning rate remained at \$6 a thousand or 75 cents an hour. The rate of pay for rolling trays rose at rates similar to those for turning. They dropped quickly after picking of the Thompsons had been completed.

Critics were inclined to say that the picking rate was so high that workers preferred to do it than to do any of the other jobs--turning, rolling, stacking,

working in dryyards, and in dehydrators. There is some truth in this point but it is also true that the husky type of young men required for this work were now either in the Army, the shipyards, or other types of defense employment. If the rate for picking had been lower there still would have been a shortage of turners. If the Wage Board had placed a close ceiling rate on turning and rolling, growers would have had real difficulty in getting this job done.

During the 1943 season, table and wine grapes offered less competition for pickers than had been anticipated. Some of the table-grape growers even suspended operations during the raisin harvest. They felt that it would be better to let their workers go for a couple of weeks rather than enter into wage competition with growers who (1) had Government backing for the harvesting of their crop, and (2) were already paying \$10 to \$12 a day to their workers.

As picking of the Thompsons drew to an end, harvesting of the Muscats commenced. A common grower comment was, "And the workers lasted only one day." Instead of being able to make from \$8 to \$15 a day it was necessary to work hard to make from \$4 to \$6. They began to pack up their belongings and move to the apple harvest in the coast counties or to the tomato harvest in the Stockton-Yolo area. Although only one-sixth as many workers were needed to take care of the Muscats as compared with the Thompsons, growers were unable to find enough workers to handle them. 10/

As the 20th of September passed a considerable acreage of Muscats

10/ Students of the supply of farm labor need to make a closer study of this situation. There was an ample supply of labor when earnings were high but it disappeared almost entirely as soon as earnings dropped. On the other hand, few other crops in the State were ready to be harvested at that time. This situation seems to be entirely at variance with the opinion commonly held by California growers that the supply of labor is not affected by increases or decreases in wage rates.

especially in Kings County, was still unpicked. This was in spite of the fact that all stores and schools in Hanford, county seat of Kings County, were closed on September 16, 17, and 18. This program probably put 800 additional workers in the field--350 townspeople, 350 high-school students, and 100 grade-school students. Kings County growers claimed that the high wages for picking Thompsons had drawn their regular workers over into Fresno and Tulare Counties and that when they returned they were unwilling to pick Muscats.

As the season became too late for sun-drying, the dehydrators soon were swamped with orders to dehydrate the balance of the grapes. Growers of Thompsons whose vines ran north or south or were strung on high trellises had been unable to sun-dry their grapes and were already selling them to the dehydrators. Growers had to obtain releases from the War Food Administration in order to dehydrate such grapes and such releases were often slow in coming. The usual price to the grower was \$35 a ton.

Picking of grapes for dehydration is paid for by the box. These rates were not covered by the ceiling but varied directly with the ceiling rates. In areas in which Thompsons were being picked at 4 cents a tray the rate on grapes for the dehydrator was 6 cents. In areas paying 5 cents a tray the rate was 7 cents. Early expectations had been for a rate of from 7 to $7\frac{1}{2}$ cents but the picking price dropped when the ceiling rates were established.

As the season drew to a close, raisin grapes that could not be made into raisins were sold to the wineries for alcohol. Even before this time rumors had been circulating over the area to the effect that "smart" growers had been holding their grapes back for this purpose. While rumors indicated that such growers would obtain from \$80 to \$90 a ton for their grapes compared to \$35 paid for similar grapes to be made into raisins, the amount they actually received was \$33.50 or substantially the same as though they had sold to the dehydrators.

ADMINISTRATION AND ENFORCEMENT MACHINERY

Since wage ceilings are a new device in the field of agriculture, much of the details of their administration and enforcement have had to be developed as necessity demanded. Responsibility on a State level has been imposed upon the State Wage Board which is composed of representatives from the Agricultural Adjustment Administration, the War Manpower Commission, the Farm Security Administration, and the Bureau of Agricultural Economics. As these people have other responsibilities, the details of administration have fallen chiefly to the chairman and his associates in the State A.A.A. and War Board offices. All members of the board are called together for the conduct of wage rate hearings and for the determination of ceiling rates. Such meetings are also attended by a representative of the U.S.D.A. Solicitor's Office in San Francisco, and by farm labor specialists on the University of California staff. Details, however, such as press releases, notification of county authorities, handling of requests for adjustment, and reports on violations have been handled by members of the State War Board staff.

The chairman of the Wage Board has placed responsibility for local enforcement in the hands of the County War Boards with the recommendation that a committee representing growers, labor, and the general public be selected to act in an advisory capacity. (See Exhibit B in the Appendix.) Chief function of this committee was to pass on requests for adjusted rates, made by growers who had weedy fields or other conditions that make picking difficult. The extent to which the War Board has carried on policing and investigational activities has depended largely upon the interest, time, and finances of the local board.

The organization to administer the ceiling varied from county to county depending on local circumstances and on the decision of local War Boards as

to what type of structure was best. As raisins were a "flash" crop some County War Boards felt that cumbersome committees and procedures would not meet the situation. In Fresno County an adjustment board was regarded as too slow and two field assistants checked over all applications for adjustment. They reported to the County Board by telephone and a preliminary decision was arrived at within a few hours' time. In this way crews were not lost and growers did not have to recruit new workers, possibly from their neighbors. In Tulare County, a 14-man committee was chosen, one representing the public, two representing the workers, ten representing growers from different parts of the county, and an A.A.A. committeeman as chairman. The situation in Kern County was similar to that in Tulare--considerable time was consumed in selecting a competent and active committee and it had only one case to pass on. In Kings County an attempt was made to get growers to serve on an advisory adjustment committee but in every case they said they would be so busy getting off their own crops that there would be no time to handle this additional responsibility. Requests for adjustment were handled by the Secretary of the County War Board and his associates.

The Madera County local community committees, usually of 3 members, were selected in all communities producing raisin grapes. They handled requests for adjustments in their particular communities and also saw to it that no violations occurred. Raisins were a minor crop in the other counties covered by the ceiling and no difficulties were encountered.

Local adjustment committees made up largely of growers were intended to serve a number of purposes: (1) obtain grower participation in the administration of the order, (2) secure expert opinion on yields, field conditions, and other factors entering into the adjustment of rates, (3) build grower confidence in the administration of the ceiling, (4) give workers a chance to protect their

rights. Growers have usually responded generously to requests to serve on such committees, but it has been impossible to obtain proper worker representation. Workers are ordinarily too busy to be able to take time to serve, and when they do serve are so outnumbered by growers as to be comparatively inarticulate. Apparently much more attention should be given to obtaining proper worker representation. More prospects are available for such positions than local War Boards have looked into. Possible representatives vary with communities but might be: the local Filipino community leader, the local Mexican priest, an official of the Office of Labor or of the Extension Service Farm Labor offices who comes into contact with both workers' and growers' points of view, a working foreman or labor contractor. Labor contractors who do not engage in field labor themselves are of doubtful value in presenting the workers' point of view as they are often more employer-minded than the growers themselves.

Operation on the county level without grower committees but through a paid representative of the War Board had other advantages than speed. As the season progressed it appeared that growers were much more willing to call up a public official and ask for an adjusted rate than to lay the matter before a committee of their neighbors. Rather than do that they preferred to resort to petty means of evasion; that is to pay the workers 50 cents extra per day for "transportation," furnish 2 gallons of gas a day to make the trip to the farm, supply them with sandwiches and beer, or give them credit for more trays than had been picked. Such rumors were more prevalent in the counties using committee systems.

Possibly the personnel of these county and community grower committees may have had something to do with this situation. Many of the prominent growers who were placed on these committees had reputations as "hold-the-line" individuals who had opposed increases in wage rates for many years. A grower who

had been inclined to pay more than his neighbors would naturally hesitate to go before such a committee to ask to pay a higher rate.

ADJUSTMENTS TO PAY MORE THAN CEILING RATES

Growers were given to understand both at the hearings and in announcements of the ceiling order that in cases of undue hardship the State Wage Board would grant permission to pay more than ceiling rates. Those with weedy fields or unusually poor picking conditions were advised to make a formal request to their County War Board to be permitted to pay rates in excess of the ceiling. The request would be passed on by the local adjustment committee after a field investigation had been made. If the requests were approved, the grower could begin to pay the new rate immediately, but the decision of the local committee would still be subject to ratification by the State Board.

A total of 31 formal requests to pay an adjusted rate was received at State Wage Board headquarters. These were all approved. No information is available as to the number of informal requests which had either been made to investigators or to the county adjustment committees and denied. It was the policy of most investigators who were asked to make adjustments that did not appear to be absolutely justified to persuade the grower on the spot to try again to harvest his crop at the ceiling rate. Such procedures usually worked and made point-blank refusals unnecessary.

Most of the formal requests came from growers living in areas infested by Johnson grass, others were made by growers who for some reason had been unable to keep their fields in the best of condition. The largest number of requests came from Fresno County (table 7), parts of which suffer from Johnson grass infestations. The usual adjustment made was to grant an increase of 1/2 to 1 cent a tray. Such increases were kept at the lowest possible figure at which the investigator thought the field could be picked.

Table 7.- Formal requests to State Wage Board for payment of adjusted rates, by counties, California, 1943 1/

County	Reason for request:			Type of adjustment granted		
	Requests	Weedy field	Other 2/	$\frac{1}{2}\%$ increase	1% increase	$1\frac{1}{2}\%$ increase 3/
	No.	No.	No.	No.	No.	No.
Fresno	24	19	5	11	7	4
Kern	0	0	0	0	0	0
Kings	4	3	1	1	3	0
Madera	2	2	0	1	1	0
Merced	0	0	0	0	0	0
San Joaquin	0	0	0	0	0	0
Stanislaus	0	0	0	0	0	0
Tulare	1	1	0	0	1	0
Total	31	25	6	13	12	4

1/ Data from files of California State Wage Board. These cover only the requests which were tentatively allowed by County War Boards and forwarded to the State Board for approval. Numerous requests to pay adjusted rates were disapproved at the community and county levels.

2/ Most frequently a combination of causes, including low yields, small bunches, weedy condition, and refusal of workers to pick at the ceiling rate.

3/ On two small acreages in Fresno County an increase of $3\frac{1}{2}$ cents was made.

The number of adjustments handled per county also bears a close relationship to the type of adjustment machinery used. In Kern, Tulare, and Madera Counties, where grower committees handled the requests for adjustment, only 1 to 2 requests were approved per county. In Kings County, where the county officials who were members of the County War Board made the investigations, 6 applications for adjustments were made and 4 were sent on to the State Board. In Fresno County, which used paid investigators from the War Board, over 30 requests for adjustments were received and 24 were sent on to State headquarters.

As indicated in the previous section, the personnel of the grower

committees has a great deal to do with the number of adjustments asked for. County War Boards might select their grower committeemen on the basis of whether they wish to make many adjustments or very few. Selection of "hold-the-line" growers will reduce the number of adjustments requested and the grower committees will soon be without any business to transact. A more liberal group of growers or paid county personnel are likely to make more adjustments and fewer rumors of violations will be heard.

Some growers doubted whether a system of granting individual adjustments could be speeded up enough to handle their needs in such a fast-moving crop as raisin grapes. Their experience had been that when workers complained that they were not getting enough pay they wanted a decision on the spot rather than to wait around for 3 or 4 days. The adjustment procedures were speeded up until they met this problem without trouble. When a grower telephoned his case to the County War Board, the adjustment committeeman in his locality was immediately notified to investigate the case and to make a recommendation as soon as possible. This usually came in at the close of the day or early next morning. Such cases, therefore, were handled within one day's time. Growers were successful in getting their workers to wait for a day.

In Fresno County, adjustments were made even more rapidly. A paid investigator from the County War Board staff was sent out on each case and reported back by telephone. A decision was made immediately unless the request was of an unusual nature. Practically all requests for adjustments were handled within a few hours' time.

VIOLATIONS

The wage stabilization law provides:

"Sec. 1102.6. Effect of unlawful payments.

"(a) Amounts disregarded. In any case where the Administrator determines

that a salary or wage payment has been increased in contravention of Sec. 1102.1 to 1102.3 inclusive, the amount of the salary or wage paid or accrued at the increased rate, shall be disregarded by all executive departments and all other agencies of the Government for the purposes of:

"(1) Determining costs or expenses of the employer for the purpose of any law or regulation, either heretofore or hereafter enacted or promulgated, including the Emergency Price Control Act of 1942, or any maximum price regulation thereof;

"(2) Calculating deductions under the revenue laws of the United States, or

"(3) Determining costs or expenses under any contract made by or on behalf of the United States.

"(b) Criminal Penalties. Any person whether an employer or an employee who willfully violates any provision of Sec. 1102.1 to 1102.3, both inclusive, shall upon conviction therefor, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment." 11/

Penalties for violation of the law are rather severe. Procedures also have been worked out for hearings in case of growers who have been charged with violating the ceiling but to obtain conclusive evidence of violation is difficult.

When no ceiling regulations exist, information as to a grower who is paying more than the rest spreads rapidly, but under a ceiling situation such a grower tries to keep news of any overpayment from spreading. In the first case, the news is spread by workers who are anxious to force up wage rates as high as possible. In the second case, the worker also is liable for taking pay at above-ceiling rates and is anxious to conceal any overpayment. Consequently, violations of the ceiling rate are difficult to detect. This situation on the other hand is something of an advantage in that a small number of secret violations will not greatly affect the effectiveness of the ceiling. As rumors of violations increase they must be checked, or the ceiling regulations will be brought into general disrepute.

Some growers, because of weedy field conditions or other causes, have regularly had to pay more than their neighbors in order to get their grapes picked. Some of these people asked for adjustments and obtained them. A considerable number made no request and it is not known whether they abided by the ceiling or secretly paid above it. Some officials admitted the possibility of 100 or more violations of the ceiling order but had no concrete evidence on a single case.

Rumors of violations were not numerous. In Kings County there were several rumors of violations, usually to the effect that the owner of a weedy vineyard was paying more than the ceiling without having consulted the adjustment committee. Another rumor was to the effect that a labor contractor was charging $1\frac{1}{2}$ cents a tray commission and was returning $\frac{1}{2}$ cent to his workers.

A Fresno attorney was brought before the County War Board as an alleged violator. He indicated that he was paying more than 5 cents but that his trays of grapes averaged 29.6 pounds instead of the 22 pounds specified in the wage order as being the standard weight of a tray.

In Madera County, one grower was alleged both by his neighbors and by his workers to be violating the ceiling but he denied any attempt at violation. No tangible evidence could be obtained on which he could be convicted.

Only one case of violation was reported to the State board. This was to the effect that a labor contractor was being paid a commission of $\frac{1}{2}$ cent a tray above the ceiling wage and that he was passing it on to the workers. An investigation by the field man from the State War Board brought denials from the grower, the contractor, and the workers that the extra $\frac{1}{2}$ cent was being paid. In this case, as in the others, the evidence was of such an insubstantial nature that it was hardly possible to take further action in regard to it.

Some county officials felt that enforcement of the ceiling against violators was virtually impossible. In case violations did occur, the grower and

the worker would collude to protect each other. In case their arrangement leaked out each would deny that any such arrangement had been made and the investigator could go no farther. When growers or workers did not like a certain man it was easy for them to invent stories to the effect that he was violating the ceiling. When a report of a violation was being investigated it was difficult for the investigator to tell whether it was an invention or whether it actually had some basis of fact. Investigators were inclined to avoid "snooping" tactics which might trap an alleged violator, that is planting a worker in a grower's crew to determine the rate he was actually paying.

Others regarded the better procedure as not to worry too much about violations but to keep in circulation among the growers to help them with their labor problems. They reported that the problem of violations then took care of itself. If the investigator found that a grower was unable to keep pickers in his field at the ceiling wage he would assist the grower to fill out a petition for an increase in the rate. A grower who had been reported as violating the ceiling was treated with the same courtesy. No direct complaint was made against him, but it was made clear to him that violation of the ceiling was an act of disloyalty to the war effort as well as a lack of cooperation with other growers and with the Government. Such growers sometimes asked for an adjusted rate. Investigators using such tactics operated on the theory that a ceiling order could be enforced by friendly but firm pressure, whereas "crack down" methods might fail.

MISUNDERSTANDING OF THE CEILING

OPA regulations had given the growers and workers a general idea as to the meaning of price ceilings, but their knowledge was not entirely accurate. They were inclined to regard ceiling rates as the rates that had to be paid. Consequently workers expected to be paid the ceiling rate and felt that they

were being taken advantage of if asked to work for less. Some growers complained because they felt that they should have been able to have their crop picked for less money. In one instance a group of growers appeared before a War Board official to report a violation of the law. They reported one grower as paying 4 cents, whereas they were obediently paying 5. Some of this confusion may have been due to the regulations for the payment of Mexican Nationals which called for minimums rather than maximums. 12/

Some confusion also resulted from the fact that the ceiling rate was also the going rate established at a meeting of growers under the auspices of the San Joaquin Valley Labor Bureau. For the Government "to give teeth to Labor Bureau wage rates" was especially perplexing to those workers and growers who disliked the Bureau. 13/ In the past growers had generally started paying the Labor Bureau figure at the beginning of the season and then may have had to depart from it in the process of securing and retaining workers.

Some of the "misunderstanding" of the ceiling was fostered by unscrupulous growers. Some growers who had vineyards which should have paid premium rates indicated to the workers that 5 cents was all that the Government would permit them to pay. They were able then to get their crop picked at a lower rate than was just. Honest growers, however, were also inclined to interpret the ceiling order as a "hold wages down" measure and were inclined to overuse it in this direction. Some had a tinge of antagonism toward seasonal farm workers and

12/ In Fresno County, a grower of tomatoes raised the picking rate for his tomatoes from 12 to 17 cents under the idea that he had to pay the ceiling rate. Actually Fresno County was outside the tomato wage ceiling area, and in the second place the 17-cent rate was a ceiling instead of a floor. This grower had difficulty in keeping workers out of the field as earnings were very high and he had only a limited ability to transport all the tomatoes that were picked.

13/ For the Government to make the rate recommended by the Labor Bureau the ceiling wage was fairly hazardous, as both workers and growers had come to regard Labor Bureau rates as very low. In fact, public-spirited citizens had united to condemn their rates on several occasions. See U. S. Senate, 67th Cong., 3d sess., Hearings on Violations of Free Speech and the Rights of Labor, Pt. 51, pp. 18595-8 and 18837-42.

used the ceiling consistently to the worker's disadvantage. When such growers served on local adjustment committees very few adjusted rates were approved.

ATTITUDES AND OPINIONS IN REGARD TO THE OPERATION OF THE WAGE CEILING

Many seasonal laborers came into the area under the impression that the price of raisins would be \$200 a ton and that the growers could pay 10 or 12 cents a tray. They were disappointed when the War Food Administration price of \$155 a ton was announced and expressed but little opposition when the 5-cent ceiling rate was established. There were no serious work stoppages until the beginning of the Muscat harvest. Then the workers didn't agitate against the ceiling but moved to other crops that might afford higher earnings. Workers, in fact, did not realize their rights under the ceiling order and apparently picked many fields at ceiling rates when they should have had a higher rate of pay. Their respect for the ceiling order was enhanced by the fact that they knew that investigators were constantly checking from field to field to see that the order was working properly.

Some growers were opposed to the ceiling from the beginning because it was a form of control that conceivably might work a hardship on them at some time. Others opposed all such types of control as a matter of principle. They frequently declared that the ceiling would not have worked if there had been a shortage of labor. A large majority of the growers favored the ceiling from the beginning, however, and their support grew as the season progressed. They were highly gratified at the way workers were staying on their jobs instead of trying to bid up wage levels. Growers of foreign extraction generally appeared to be quite as favorable to the ceiling as the native-born Americans. There were fewer of the "rugged individualists" among them who were opposed to Government control of any type.

There was general agreement that timing of the ceiling was good. Most of the Zante currants had already been harvested and some of the upland Thompsons, but the latter had to be harvested at above-ceiling rates anyway and were not important enough to affect the general situation. Some growers claimed the rates were too high and a few said they were not high enough. In the former case, they felt that other employers were disadvantaged, in the latter, that the growers were making so much money that they could well afford to pass on more of it to the workingmen.

Agricultural officials without exception expressed approval of the ceiling. They differed in opinion as to the part it played in the favorable labor situation and gave suggestions as to how future ceiling orders might be improved, but all stated that it had been very valuable. Other supporters of the ceiling included officials of the Sun Maid Raisin Growers Association and of the San Joaquin Valley Labor Bureau.

There was a general tendency, however, to confuse the ceiling order with earlier grower attempts to control wage levels in their own interest. The San Joaquin Valley Labor Bureau had traditionally established picking rates at the beginning of each season. The growers were inclined to feel that the Government had taken a hand in the situation and was now giving sanction to the system of grower fixed rates. The fact that the Government ceiling rates and the San Joaquin Valley Labor Bureau rates were identical probably was a factor in this situation.

Suggestions for Improvement of Future Ceiling Orders

Growers, War Board officials, and association officials were questioned as to means by which the ceiling orders might be improved in another season. The most common recommendations were as follows:

- (1) A greater differential between Muscat and Thompson rates. At least 2 cents and possibly $2\frac{1}{2}$ depending on crop conditions.

- (2) Rates for turning and rolling should be included under the ceiling.
- (3) The ceiling orders should have more publicity, especially in local papers, and if possible the growers should be notified individually by mail.
- (4) There is need for more investigational work and better means of handling reported cases of violations.
- (5) A general wage ceiling is necessary so that growers of one crop will not be able to draw workers away from another.
- (6) Picking of grapes for dehydration should be included under the ceiling.
- (7) The rate for picking Sultanas should be $\frac{1}{2}$ cent or more above that for Thompsons.

Recommendation for only one of these changes was unanimous--that the differential between Thompsons and Muscats be increased. Practicability of some of the other recommendations was questioned. Some growers said that placing a ceiling on turning and rolling was not practicable. At times a good many trays of grapes not yet ready for turning or rolling might be mixed in with those that were ready. In such a case the grower might wish to increase the piece rate slightly in order to get the workers to choose between them or he might want to change over to an hour basis entirely. Others felt that stabilization of the picking rate tended to stabilize the entire labor situation and that a complicated set of ceilings that might work at cross purposes with each other would be a mistake. Objection was made to a ceiling on picking for the dehydrator on the same ground.

There were several suggestions that the traditional sliding scale for the picking of raisin grapes be modified. One grower suggested that it be ignored completely and that a 5-cent ceiling for Thompsons and a 7-cent ceiling for Muscats would get the job done. Growers then could pay lower rates if

they had above-average yields. Several growers suggested that gradations in the scale should be by $\frac{1}{2}$ -cent intervals rather than by $\frac{1}{4}$ -cent, as in the past, and that the range might well run above 500 trays and under 200.

WAGE RATES AS COMPARED WITH GROWER EARNINGS

Wage rates for picking raisin grapes have always been fairly high as compared with those for other crops because of the fact that the grapes must have time to dry before the fall rains set in. To pay as much as 5 cents a tray, however, seemed to many growers to be entirely out of reason. The rate a few years ago had been only 1.5 cents a tray. All other factors in the harvest situation were so favorable that most raisin growers soon ceased to protest. The yield was exceptionally heavy, the weather was ideal, the labor supply abundant, and the price for raisins approximately three times what it had been a few years before (table 9).

The grower who had some acquaintance with accounting generally stated that it would cost around \$100 to produce a ton of raisins. He should clear, therefore, from \$50 to \$100 an acre from the 1943 crop, which would be highly satisfactory. In fact, some growers were highly irked because some leaders in the industry were organizing an expedition to go to Washington and demand \$200 a ton. "Those fellows aren't raisin growers at all. They haven't any loyalty to the raisin industry. The real raisin grower knows that if the price goes too high it will result in overplanting and another market slump such as we had in the 1930's. Those Fulton Street speculators don't care what happens to the farmer." This point of view was not unanimous because some growers pointed at the \$85 and \$110 a ton received by wine and table grape growers compared with the \$35 for fresh raisin grapes. They admitted that they had made a good profit on their raisins but felt that a crop regarded by the Government as "essential" should bring more than a luxury product.

Table 8.- Estimated cost of producing raisins--outlay per acre, 1943 1/

	Thompson's		Muscats	
	Low yield	Av. yield	Low yield	High yield
	1 ton	2 tons	1 ton	2 tons
	Dol.	Dol.	Dol.	Dol.
Labor and use of equipment	86.40	120.63	83.04	115.98
Materials	8.55	15.32	10.25	19.02
Miscellaneous	26.87	37.82	18.37	22.07
Total	121.82	173.77	111.66	157.07
Cost per ton	121.82	86.89	111.66	78.54
Price per ton to grower	155.00	155.00	165.00	165.00
Profit per ton at 1943 prices	33.18	68.11	53.34	86.46

1/ Adams, R. L., Supplement to Farm Management Crop Manual. Univ. of California Press, 1943.

Reports of the California Crop Reporting Service give some indication of 1943 grower earnings as compared with previous years. Annual receipts for raisin grapes in California for the last 5 years are estimated by them to be as follows:

1943	\$67,396,000
1942	39,116,000
1941	32,092,000
1940	18,980,000
1939	17,196,000 <u>14/</u>

High returns to the grower this year were quite as much a matter of heavy yields as of high prices. Total yield of raisin grapes this season was estimated by the California Crop Reporting Service at 1,581,000 fresh tons as compared to an average of 1,363,400 during the previous 5 years (table 2). Yields of Thompsons amounting to from 2 to $2\frac{1}{2}$ tons of raisins per acre were fairly common. Producers of Muscats were less fortunate. Although the crop was good, the Muscat vines were much smaller and could not produce a comparable tonnage.

14/ California Crop and Livestock Reporting Service. California Fruit and Nut Crop Annual Summary as of December 1943. Jan. 7, 1944.

Table 9.- Picking rate for Thompson Seedless grapes compared with price of raisins to grower, 1926-43

Year	: Picking rate per tray <u>1/</u>	: Price per ton to grower <u>2/</u>	: Proportion picking is of price to grower	: Index number 1935-9 = 100	: Rate for picking	: Price of raisins
	: Cents	: Dols.	: Pct.			
1943	: 5.0	: 155	: 11.6		: 312	277
1942	: 4.3	: 112	: 13.8		: 269	204
1941	: 2.0	: 86	: 8.3		: 125	154
1940	: 1.5	: 58	: 9.3		: 94	104
1939	: 1.5	: 48	: 11.2		: 94	86
1938	: 1.5	: 42	: 12.8		: 94	75
	:	:	:		:	
1937	: 1.75	: 63	: 10.0		: 109	113
1936	: 1.75	: 70	: 9.0		: 109	125
1935	: 1.5	: 56	: 9.6		: 94	100
1934	: 1.5	: 64	: 8.4		: 94	114
1933	: 1.75	: 57	: 11.0		: 109	102
1932	: 1.5	: 39	: 13.8		: 94	70
	:	:	:		:	
1931	: 1.75	: 60	: 10.5		: 109	107
1930	: 2.5	: 59	: 15.2		: 156	106
1929	: 2.5	: 61	: 14.7		: 156	109
1928	: 2.5	: 40	: 22.5		: 156	71
1927	: 2.5	: 60	: 15.0		: 156	107
1926	: 2.5	: 65	: 13.8		: 156	116

1/ Data from San Joaquin Valley Labor Bureau and other sources.

2/ Data from Shear, S. W. Deciduous Fruit Statistics. Giannini Foundation, Mimeo. Rep. No. 83. Jan. 1943.

The effect on costs of differences in yield is indicated by R. L. Adams in his 1943 estimates of costs of raisin production (table 8).

An 18-year comparison of prices received for raisins and raisin-picking rates indicate that the worker as well as the grower should have a profitable season in 1943 (table 9). The wage rate in 1943 was over three times as high as during the period 1935 to 1939 and the grower received 2 3/4 times as much per ton for his crop.

APPENDIX--EXHIBIT A

UNITED STATES DEPARTMENT OF AGRICULTURE
California USDA War Board
P. O. Box 247
Berkeley 1, California

WL 468
LBR 68

War Letter No. 468

LABOR ----- No. 68

Re: Wage Ceilings for Picking of Sun-Dried Raisin Grapes

We have received telegraphic notice that the War Food Administrator has signed an order establishing maximum wages which may be paid for picking sun-dried raisin grapes in the following counties:

Kern	Madera
Kings	Merced
Tulare	Stanislaus
Fresno	San Joaquin

The order provides that the following are the highest wage rates which may be paid for picking sun-dried raisin grapes in the above counties:

(a) Thompson and Sultana Varieties

Trays per	
Unit*	
500 or over	5¢ per tray
400 to 500	5½¢ " "
300 to 400	5½¢ " "
200 to 300	5 ¾¢ per tray
Less than 200	6¢ per tray

(b) Muscat Variety

Trays per	
Unit*	
500 or over	6 ½¢ per tray
400 to 500	6 ¾¢ " "
300 to 400	7¢ " "
200 to 300	7 ½¢ " "
Less than 200	7 ½¢ " "

*As used herein, the word "unit" means 500 bearing vines, and the word "tray" means a tray containing 22 pounds of fresh grapes.

The order is effective immediately and is binding on all growers, laborers and labor contractors. It should be remembered that these are maximum wages that may be paid, and that lower wages may be paid if help can be hired for less. The State Agricultural Wage Board is empowered to make individual adjustments to provide relief from hardship. The sole basis for adjustment should be abnormal picking conditions which lower the number of trays a worker can pick in a day or otherwise place the grower at a definite disparity with other growers in the community. Shortage of

labor cannot be viewed as grounds for an adjustment.

The general provisions of the tomato wage order, as outlined in War Letter No. 467 (Labor 67) will also apply to the grape order insofar as procedure for handling appeals and violations is concerned. You should carefully review Section II of the above-mentioned letter.

If you think it desirable to send individual letters to growers, it is suggested that the text of the letter enclosed with War Letter No. 467 be adapted to the grape order. We are enclosing a copy of a press release being released from this office today and which should be released to local papers in your county.

Inasmuch as the picking of raisin grapes has already begun in some sections, it is important that this information be disseminated as rapidly as possible. Any difficulties that may arise should be referred to the State Wage Board, through this office, without delay.

/s/ Dave Davidson, Chairman
California USDA War Board

Attachment: Press Release

APPENDIX--EXHIBIT B

From Federal Register, Friday, August 27, 1943

CHAPTER IX.- WAR FOOD ADMINISTRATION
(Agricultural Labor)

PART 1104--SALARIES AND WAGES IN THE PICKING OF GRAPES FOR SUN DRIED RAISINS

Workers in Certain California Counties

Public notice with respect to increases in wages of pickers of grapes for sun dried raisins in Kern, Kings, Tulare, Fresno, Madera, Merced, Stanislaus, and San Joaquin Counties, State of California.

Pursuant to the authority contained in the Act of October 2, 1942, entitled "An Act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes" (Pub. Law 729, 77th Cong.); Executive Order 9250 of October 3, 1942 (7 F.R. 7871); the regulations of the Economic Stabilization Director, approved by the President on October 27, 1942 (7 F.R. 8748), as amended November 30, 1942 (7 F.R. 10024); Executive Order 9322 of March 26, 1943 (8 F.R. 3807); and Executive Order 9334 of April 19, 1943 (8 F.R. 5423); and based upon relevant facts submitted to me by the Wage Board for California of the United States Department of Agriculture and by other sources, it is hereby determined that:

1104.1 Area, crop and classes of workers.- Persons engaged in the picking of grapes for sun dried raisins in Kern, Kings, Tulare, Fresno, Madera, Merced, Stanislaus and San Joaquin Counties, State of California, are agricultural workers as defined in Section 4001.1 (1) of miscellaneous amendments of November 30, 1942 (7 F.R. 10024), to the regulations of the Economic Stabilization Director, approved by the President on October 27, 1942 (7 F.R. 8748).

1104.2 Wage rates.- The wages of the grape pickers in the counties mentioned in Section 1104.1 are not substandard and no increases in the wages paid to such grape pickers in the counties stated shall be made above the maximum wage rates set forth below without the approval of the War Food Administrator under the procedure provided for herein:

Wage Rates for Picking Grapes for Sun Dried Raisins

(a) For Thompson and Sultana varieties. Trays per unit:

- (1) 500 or over 5 cents per tray.
- (2) 400 to 500 $5\frac{1}{2}$ cents per tray.
- (3) 300 to 400 $5\frac{1}{2}$ cents per tray.
- (4) 200 to 300 $5\frac{3}{4}$ cents per tray.
- (5) Less than 200 6 cents per tray.

(b) For Muscat variety. Trays per unit:

- (1) 500 or over $6\frac{1}{2}$ cents per tray.
- (2) 400 to 500 $6\frac{3}{4}$ cents per tray.
- (3) 300 to 400 7 cents per tray.
- (4) 200 to 300 $7\frac{1}{2}$ cents per tray.
- (5) Less than 200 $7\frac{1}{2}$ cents per tray.

As used herein the word unit means 500 bearing vines and the word tray means a tray containing 22 pounds of fresh grapes.

1104.3 Applications for adjustments.— Any appeals for relief from hardships resulting from this determination and any applications for adjustment in such wages shall be filed by the employer or employee with the Wage Board for California of the United States Department of Agriculture, 2288 Fulton Street, Berkeley, California, which Board, after conducting such investigation as may be required and reviewing such application's or appeals, shall have the authority to make such determinations as are consistent with the intent of this order. Each such ruling shall be final, subject only to the War Food Administrator's right of review on his own initiative. Any reversal or modification of such ruling by the War Food Administrator shall take effect from the date of its issuance; Provided, however, That if a ruling denying an application for permission to make a wage increased is overruled, the final ruling by the War Food Administrator shall incorporate the effective date of the adjustment.

1104.4 Delegation of authority.— (a) The Wage Board for California of the United States Department of Agriculture, herein-after called the Board, is hereby authorized to act on behalf of the War Food Administrator, hereinafter called the Administrator, to conduct hearings, in accordance with the procedure set forth in Section 1104.5 for the purpose of making findings of fact and recommendations with respect to alleged violations of Sections 1104.1 to 1104.3, both inclusive.

(b) Three members of the Board shall constitute a quorum for the purpose of conducting such hearings and the chairman of the Board shall act as presiding officer at the hearings, administer oaths and affirmations, and rule on motions, requests, and on the admission and exclusion of evidence.

1104.5 Procedure.—(a) Preliminary investigation.— Preliminary investigations of alleged unlawful wage or salary payments shall be made by representatives of the Administrator. Each such report of investigation shall be submitted to the Regional Attorney, United States Department of Agriculture, for consideration. He shall forward the report, with his recommendations, to the Board. If, after consideration of the report and the recommendations, the Board is of the opinion that there is reasonable cause to believe that a violation has occurred, the Board shall request the alleged violator to appear at a hearing before the Board.

(b) Notice.— Notice of the hearing shall be served on the alleged violator not less than ten (10) days prior to the date of

the hearing. Such notice shall set forth (1) the time and place of the hearing, (2) a concise statement of the allegations of fact which constitute a basis for the proceeding, (3) a statement informing the alleged violator that he may be represented by counsel at the hearing and will be given full opportunity to present written or oral testimony and to examine and cross-examine witnesses on all matters relating to the charge, and (4) a statement informing the alleged violator that failure to appear will not preclude the Board from taking testimony, receiving proof and making findings and recommendations with respect to the charges.

(c) Conduct of the hearing.- The rules of evidence prevailing in courts of law and equity shall not be controlling. The test of admissibility shall be the reliability, relevancy, and probative force of the evidence offered.

All testimony shall be given under oath and a written transcript of the hearing shall be made.

The presiding officer shall afford reasonable opportunity for cross-examination of the witnesses. At the close of the hearing, the presiding officer may, at his discretion, allow a short period for the presentation of oral argument or for a summary of the facts disclosed at the hearing and if he deems it advisable, may allow briefs to be filed within a period prescribed by him, not to exceed five (5) days.

(d) Findings and recommendations.- Upon conclusion of the hearing, if a majority of the Board is satisfied that the charge has been sustained by a preponderance of the evidence, it shall find accordingly. Findings of fact and recommendations shall be prepared, subscribed by the concurring members of the Board and submitted to the Administrator, together with a transcript of the proceedings. A copy of the findings of fact and recommendations shall be served on the alleged violator. After consideration of the findings and recommendations, the Administrator shall determine whether the alleged violator has made salary or wage payments in contravention of Sections 1104.1 to 1104.3, both inclusive. A copy of such determination shall be served by registered mail on the alleged violator.

(e) Petition for reconsideration.- Within five (5) days after receipt of a copy of the Administrator's determination, the alleged violator may file with the War Food Administrator, Washington, D. C., a petition for reconsideration of such determination. Such petition may be accompanied by any affidavits or briefs which the alleged violator desires to submit. Within a reasonable time after receiving such a request for reconsideration, the Administrator shall affirm, modify or reverse his original determination, or direct a further hearing to be held. Such further hearing shall follow the procedure prescribed for the original hearing. The determination of the Administrator shall be final and shall not be subject to review by The Tax Court of the United States or by any court in any civil proceedings.

(f) Transmittal of determination to other Government agencies.- If a petition for reconsideration is not filed within the period stated above, or if a petition for reconsideration is filed and the Administrator affirms his original determination, he shall forward his determination to the violator, to the Commissioner of Internal Revenues, and, in appropriate cases, to the Attorney General for consideration of criminal prosecution.

1104.6. Effect of unlawful payments--(a) Amounts disregarded. In any case where the Administrator determines that a salary or wage payment has been increased in contravention of Sections 1104.1 to 1104.3, both inclusive, the amount of the salary or wage paid or accrued at the increased rate, shall be disregarded by all executive departments and all other agencies of the Government for the purposes of:

- (1) Determining costs or expenses of the employer for the purpose of any law or regulation, either heretofore or hereafter enacted or promulgated, including the Emergency Price Control Act of 1942, or any maximum price regulation thereof;
- (2) Calculating deductions under the revenue laws of the United States; or
- (3) Determining costs or expenses under any contract made by or on behalf of the United States.

(b) Criminal penalties.- Any person, whether an employer or an employee, who wilfully violates any provision of Sections 1104.1 to 1104.3, both inclusive, shall, upon conviction thereof, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment.

1104.7 Further delegations of authority by the Administrator.- Any or all functions, powers, or duties reserved to the Administrator by these regulations may be delegated by the Administrator to such other person or persons as he may designate.

(Pub. Law 729, 77th Cong.; E.O. 9250, 7 F.R. 7871; Regulations of the Director of Economic Stabilization, dated Oct. 27, 1942, 7 F.R. 8748, as amended on Nov. 30, 1942, 7 F.R. 10024; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423)

Issued this 26th day of August 1943.

MARVIN JONES,
War Food Administrator.

(F.R. Doc. 43-13939; Filed, August 26, 1943; 11:21 a.m.)